debt burden does not appear feasible for large economies of the world, like India.

Opening of ECB window for settlement of NPAs

942. SHRI AIMADUDDIN AHMAD KHAN (DURRU): Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the opening up of External Commercial Borrowings (ECB) window for companies to settle their Non-Performing Assets (NPAs);

(b) if so, the details thereof;

(c) the reasons therefor; and

(d) what is Government's actual stand in respect of granting permission for ECBs of above $ 100m?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) As per existing guidelines, External Commercial Borrowings (ECB) can be utilized for any general corporate purpose except real estate and capital market.

(d) Proposals for ECBs exceeding US $ 100 mn are processed in the Ministry of Finance. However, in view of the comfortable foreign exchange reserves and liquidity with the banks/FIs, few corporates seeking ECBs beyond US $ 100 mn have been advised to attempt to access funds through local borrowings.

National Company law Tribunal

943. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to set-up a National Company Law Tribunal with its own appellate body which will be an overarching body dealing with all intra-company and family disputes and company sickness and registration of cooperatives as producer companies; and

(b) if so, the salient features of such a legislative measure proposed to be introduced?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) The proposed National Company Law Tribunal (NCLT) will replace the existing Company Law Board (CLB), the Board of Industrial and Financial Reconstruction (BIFR), and jurisdiction of the High Courts in so far as it relates to the Companies Act. Registration of cooperatives as producer companies will, however, be done by the registrar of Companies.

(b) While the Companies (Second Amendment) Act, 2002, which provides for the setting up of the NCLT, has already been passed by Parliament, the Bill to repeal the Sick Industrial Companies (Special Provisions) Act (under which BIFR has been set up) is under consideration of the Parliament.

Buy back of bonds to settle NPAs

944. DR. AKHILESH DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a decision to allow banks to buy back their own bonds and to permit them to use the profits that may accrue to write off the bad debts outstanding against big companies, persons and entities; and

(b) if so, the details of the proposal/decision, the rationale and the objective thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government has bought back high cost relatively illiquid Government of India's dated securities of face value equal to Rs. 14434 crore on July 19, 2003. Four securities were re-issued for equivalent amount (face value). The profits that bank have realized by selling the bonds to the Government are exempted for payment f income tax provided the profits are used for writing off NPAs.

Settlement of Claims

945. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state: